

EXHIBIT U

News Corp

Annual Report
2019

Select Market (“Nasdaq”) under the trading symbols “NWSA” and “NWS,” respectively, and CHESS Depositary Interests (“CDIs”) representing the Company’s Class A and Class B Common Stock are listed on the Australian Securities Exchange (“ASX”) under the trading symbols “NWSLV” and “NWS,” respectively. More information regarding the Company is available on its website at www.newscorp.com, including the Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are available, free of charge, as soon as reasonably practicable after the material is electronically filed with or furnished to the Securities and Exchange Commission (“SEC”). The information on the Company’s website is not, and shall not be deemed to be, a part of this Annual Report or incorporated into any other filings it makes with the SEC.

Special Note Regarding Forward-Looking Statements

This document and any documents incorporated by reference into this Annual Report, including “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contain statements that constitute “forward-looking statements” within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words “expect,” “estimate,” “anticipate,” “predict,” “believe” and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company’s financial condition or results of operations and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other important factors that could cause actual results to differ materially from those in the forward-looking statements is set forth under the heading “Item 1A. Risk Factors” in this Annual Report. The Company does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by the Company with the SEC. This section should be read together with the Consolidated Financial Statements of News Corporation (the “Financial Statements”) and related notes set forth elsewhere in this Annual Report.

BUSINESS OVERVIEW

The Company’s five reporting segments are described below. For information regarding revenues generated by the principal products and services of each segment, refer to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	For the fiscal year ended June 30, 2019	
	Revenues	Segment EBITDA
	(in millions)	
News and Information Services	\$ 4,956	\$ 417
Subscription Video Services	2,202	380
Book Publishing	1,754	253
Digital Real Estate Services	1,159	384
Other	3	(190)

News and Information Services

The Company’s News and Information Services segment consists primarily of Dow Jones, News Corp Australia, News UK, the *New York Post* and News America Marketing. This segment also includes Unruly, a global video

Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of, and allocate resources within, the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net income (loss), cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment and restructuring charges, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of Total Segment EBITDA provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as impairment and restructuring charges and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures and changes in tax positions or regimes, the Company provides users of its consolidated financial statements with insight into both its core operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its core business. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the core operating results of the Company across different periods. The following table reconciles Net income (loss) to Total Segment EBITDA for the fiscal years ended June 30, 2019 and 2018:

	For the fiscal years ended June 30,	
	2019	2018
(in millions)		
Net income (loss)	\$ 228	\$(1,444)
Add:		
Income tax expense	126	355
Other, net	(33)	324
Interest expense, net	59	7
Equity losses of affiliates	17	1,006
Impairment and restructuring charges	188	351
Depreciation and amortization	659	472
Total Segment EBITDA	<u>\$1,244</u>	<u>\$ 1,071</u>

The following table sets forth the Company's Revenues and Segment EBITDA for the fiscal years ended June 30, 2019 and 2018:

	For the fiscal years ended June 30,			
	2019		2018	
	Revenues	Segment EBITDA	Revenues	Segment EBITDA
(in millions)				
News and Information Services	\$ 4,956	\$ 417	\$5,119	\$ 397
Subscription Video Services	2,202	380	1,004	173
Book Publishing	1,754	253	1,758	239
Digital Real Estate Services	1,159	384	1,141	401
Other	3	(190)	2	(139)
Total	<u>\$10,074</u>	<u>\$1,244</u>	<u>\$9,024</u>	<u>\$1,071</u>

Book Publishing (17% and 19% of the Company's consolidated revenues in fiscal 2019 and 2018, respectively)

	For the fiscal years ended June 30,			
	2019	2018	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Consumer	\$ 1,679	\$ 1,664	\$ 15	1%
Other	75	94	(19)	(20)%
Total Revenues	1,754	1,758	(4)	—
Operating expenses	(1,174)	(1,178)	4	—
Selling, general and administrative	(327)	(341)	14	4%
Segment EBITDA	\$ 253	\$ 239	\$ 14	6%

For the fiscal year ended June 30, 2019, revenues at the Book Publishing segment decreased \$4 million as compared to fiscal 2018. The decrease was primarily due to the \$65 million impact of the adoption of the new revenue recognition standard, the absence of \$28 million in revenues from the sublicensing agreement for J.R.R. Tolkien's *The Lord of the Rings* trilogy recognized in fiscal 2018 and the \$27 million negative impact of foreign currency fluctuations. These decreases were partially offset by strong frontlist and backlist sales in the Christian publishing category, primarily titles by Rachel Hollis including *Girl, Wash Your Face* and *Girl, Stop Apologizing*, as well as the success of *Homebody: A Guide to Creating Spaces You Never Want to Leave* by Joanna Gaines in the general books category and *The Hate U Give* by Angie Thomas in the children's books category. Digital sales increased 7% compared to fiscal 2018, driven by growth in downloadable audiobook sales, and represented 20% of Consumer revenues during the fiscal year ended June 30, 2019.

For the fiscal year ended June 30, 2019, Segment EBITDA at the Book Publishing segment increased \$14 million, or 6%, as compared to fiscal 2018, primarily due to the mix of titles.

Digital Real Estate Services (12% and 13% of the Company's consolidated revenues in fiscal 2019 and 2018, respectively)

	For the fiscal years ended June 30,			
	2019	2018	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Circulation and subscription	\$ 49	\$ 56	\$ (7)	(13)%
Advertising	122	139	(17)	(12)%
Real estate	908	858	50	6%
Other	80	88	(8)	(9)%
Total Revenues	1,159	1,141	18	2%
Operating expenses	(167)	(138)	(29)	(21)%
Selling, general and administrative	(608)	(602)	(6)	(1)%
Segment EBITDA	\$ 384	\$ 401	\$(17)	(4)%

For the fiscal year ended June 30, 2019, revenues at the Digital Real Estate Services segment increased \$18 million, or 2%, as compared to fiscal 2018. Revenues at Move increased \$32 million, or 7%, to \$484 million in fiscal 2019 from \$452 million in fiscal 2018, primarily due to higher Real Estate revenues resulting from growth in leads and higher yield, partially offset by lower non-listing advertising revenues. At REA Group, revenues increased \$8 million, or 1%, to \$674 million in fiscal 2019 from \$666 million in fiscal 2018. The higher revenues were primarily due to an increase in Australian residential depth revenue driven by price increases, improved penetration and favorable product mix, as well as the acquisition of Hometrack Australia, partially offset by the \$56 million negative impact of foreign currency fluctuations and softness in listing volumes which

The following table sets forth the Company's reported Revenues and Segment EBITDA for the fiscal year ended June 30, 2019 and pro forma Revenues and Segment EBITDA for the fiscal year ended June 30, 2018:

(in millions)	For the fiscal years ended June 30,			
	2019		2018	
	Revenues	Segment EBITDA	Revenues	Segment EBITDA
	As Reported		Pro forma	
News and Information Services	\$ 4,956	\$ 417	\$ 5,119	\$ 397
Subscription Video Services	2,202	380	2,544	545
Book Publishing	1,754	253	1,758	239
Digital Real Estate Services	1,159	384	1,141	401
Other	3	(190)	2	(139)
Total	<u>\$10,074</u>	<u>\$1,244</u>	<u>\$10,564</u>	<u>\$1,443</u>

Subscription Video Services (pro forma) (22% and 24% of the Company's consolidated revenues in fiscal 2019 and 2018, respectively)

(in millions, except %)	For the fiscal years ended June 30,			
	2019	2018	Change	% Change
	As reported	Pro forma	Better/(Worse)	
Revenues:				
Circulation and subscription	\$ 1,926	\$ 2,210	\$(284)	(13)%
Advertising	215	268	(53)	(20)%
Other	61	66	(5)	(8)%
Total Revenues	2,202	2,544	(342)	(13)%
Operating expenses	(1,476)	(1,499)	23	2%
Selling, general and administrative	(346)	(500)	154	31%
Segment EBITDA	\$ 380	\$ 545	\$(165)	(30)%

For the fiscal year ended June 30, 2019, revenues at the Subscription Video Services segment decreased \$342 million, or 13%, as compared to fiscal 2018. The revenue decrease was primarily due to the \$181 million negative impact of foreign currency fluctuations and lower subscription revenues resulting from lower broadcast subscribers and changes in the subscriber package mix, partially offset by \$46 million of higher revenues from Foxtel Now and Kayo.

For the fiscal year ended June 30, 2019, Segment EBITDA at the Subscription Video Services segment decreased \$165 million, or 30%, as compared to fiscal 2018. The decrease in Segment EBITDA was primarily due to the lower revenues discussed above, \$95 million of higher sports programming and production costs, mainly related to Cricket Australia and the National Rugby League, and approximately \$30 million in higher marketing costs related to Kayo, partially offset by lower entertainment programming costs, customer service and installation costs and overhead expenses.

LIQUIDITY AND CAPITAL RESOURCES

Current Financial Condition

The Company's principal source of liquidity is internally generated funds and cash and cash equivalents on hand. As of June 30, 2019, the Company's cash and cash equivalents were \$1.64 billion. The Company expects these elements of liquidity will enable it to meet its liquidity needs in the foreseeable future, including repayment of indebtedness. The Company also has available borrowing capacity under the Facility (as defined below) and

NEWS CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

	For the fiscal years ended June 30,		
	2019	2018	2017
	(in millions)		
Revenues:			
News and Information Services	\$ 4,956	\$ 5,119	\$5,069
Subscription Video Services	2,202	1,004	494
Book Publishing	1,754	1,758	1,636
Digital Real Estate Services	1,159	1,141	938
Other	3	2	2
Total Revenues	<u>\$10,074</u>	<u>\$ 9,024</u>	<u>\$8,139</u>
Segment EBITDA:			
News and Information Services	\$ 417	\$ 397	\$ 412
Subscription Video Services	380	173	123
Book Publishing	253	239	195
Digital Real Estate Services	384	401	324
Other	(190)	(139)	(172)
Depreciation and amortization	(659)	(472)	(449)
Impairment and restructuring charges	(188)	(351)	(927)
Equity losses of affiliates	(17)	(1,006)	(295)
Interest (expense) income, net	(59)	(7)	39
Other, net	33	(324)	135
Income (loss) before income tax expense	354	(1,089)	(615)
Income tax expense	(126)	(355)	(28)
Net income (loss)	<u>\$ 228</u>	<u>\$(1,444)</u>	<u>\$ (643)</u>

	For the fiscal years ended June 30,		
	2019	2018	2017
	(in millions)		
Depreciation and amortization:			
News and Information Services	\$223	\$223	\$283
Subscription Video Services	292	107	32
Book Publishing	42	52	52
Digital Real Estate Services	97	87	78
Other	5	3	4
Total Depreciation and amortization	<u>\$659</u>	<u>\$472</u>	<u>\$449</u>